1 HARVEY SISKIND LLP
   D. Peter Harvey (SBN 55712)
2 pharvey@harveysiskind.com
   Seth I. Appel (SBN 233421)
3 sappel@harveysiskind.com
   4 Embarcadero Center, 39th Floor
4 San Francisco, California 94111
   Telephone: (415) 354-0100
5 Facsimile: (415) 391-7124

6
   Attorneys for Defendants
7 RED HAT, INC. and RED HAT MIDDLEWARE, LLC.

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10   **IN THE UNITED STATES DISTRICT COURT**

11   **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

12   **SAN FRANCISCO DIVISION**

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14
    FIRESTAR SOFTWARE, INC.,   Case No. C 07-80204 MISC MMC (EMC)
15
              Plaintiff,   **OPPOSITION TO THOUGHT, INC.'S**
16   **MOTION TO QUASH THIRD PARTY**
                                          SUBPOENA, OR IN THE ALTERNATIVE,
17 v.   **FOR A PROTECTIVE ORDER**

18 RED HAT, INC., et al.,

19   Defendants.

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28 OPPOSITION TO MOTION TO QUASH THIRD PARTY SUBPOENA   CASE NO. C 07-80204 MISC MMC (EMC)
    OR FOR A PROTECTIVE ORDER

1   COMES NOW Red Hat, Inc. and Red Hat Middleware, LLC (collectively, "Red Hat") in

2 response to Non-Party Thought, Inc.'s ("Thought") Motion to Quash Third Party Subpoena, or in the

3 Alternative for a Protective Order ("Motion"). The Court should deny the Motion because Thought

4 has failed to state a basis for quashing the subpoena under Rule 45.

5   Red Hat has been accused of patent infringement in a case pending in the United States

6 District Court for the Eastern District of Texas. Red Hat is defending, in part, based on arguments

7 that the patent-in-suit, filed in 1998, is invalid as anticipated and/or obvious in light of the prior art.

8 Thought marketed one potential prior art product, a software program named CocoBase, at least as

9 early as 1997. Red Hat subpoenaed Thought seeking information relating to CocoBase. Thought

10 does not deny that it marketed CocoBase or that it has in its possession the documents and electronic

11 information Red Hat is seeking through its subpoena, consisting primarily of versions of the

12 CocoBase program that Thought provided to actual and potential customers, as well as documents

13 concerning the operation and functionality of CocoBase.

14   Instead, Thought makes a number of arguments for why this Court should excuse it from

15 having to search for and produce such documents. All of these arguments are without merit,

16 however, since (1) Red Hat has agreed to give Thought a reasonable amount of time to comply with

17 the subpoena; (2) any purportedly confidential information (from 1998 or earlier) that Thought

18 produces can be protected by submitting the information in accordance with Eastern District of Texas

19 Local Patent Rule 2-2 and the protective order that the parties to the litigation are negotiating; and (3)

20 Red Hat has agreed to reimburse Thought for the reasonable costs associated with gathering and

21 producing such documents, including actual time spent retrieving electronic files from legacy

22 computer systems at reasonable rates. Thus, Thought's motion should be denied, and it should be

23 ordered to comply with the subpoena at issue.

24   **BACKGROUND**

25   Plaintiff FireStar Software, Inc. ("FireStar") filed a complaint in the United States District

26 Court for the Eastern District of Texas on June 26, 2006, alleging that Red Hat infringed United

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- 1 -

28 OPPOSITION TO MOTION TO QUASH THIRD PARTY SUBPOENA   CASE NO. C 07-80204 MISC MMC (EMC)
    OR FOR A PROTECTIVE ORDER

1   States Patent No. 6,101,502. FireStar has since filed amended complaints on October 19, 2006,

2   November 8, 2006, and June 8, 2007. Red Hat made its first appearance when it filed an Answer to

3   FireStar's Second Amended Complaint on December 8, 2006. [Pierce Decl., ¶2]

4   Although full discovery has not yet begun in this litigation, the Court issued a *sua sponte*

5   Order on May 23, 2007, which granted both parties the ability to seek discovery relevant to their

6   contentions. [Pierce Decl., ¶3 and Ex. A] In support of its Invalidity Contentions, Red Hat served

7   discovery on FireStar seeking information relating to the purported invention at issue as well as prior

8   art. Red Hat also served numerous third party document subpoenas seeking information relating to

9   prior art computer software and other materials, including the one that it served on Thought. [Pierce

10   Decl., ¶4 and Ex. B]

11   On July 13, 2007, counsel for Red Hat corresponded via telephone with Thought's Chief

12   Financial Officer, Greg Baker, and subsequently provided Mr. Baker with a courtesy copy of the

13   Exhibit A to the subpoena that it planned to serve. [Pierce Decl., ¶5 and Ex. C]

14   Hearing nothing from Thought, Red Hat served the subpoena on August 6, 2007. [Pierce

15   Decl., ¶6]

16   Mr. Baker then contacted counsel for Red Hat and arranged for a teleconference on August

17   10, 2007, with Thought's outside counsel. During the conversation, Mr. Baker and counsel for

18   Thought stated that the documents that Red Hat was seeking were available only in electronic form

19   on Thought's legacy systems. Red Hat's understanding based on the telephone conversation is that

20   the CocoBase documentation of interest was provided to customers during the relevant period via

21   download from Thought's website as part of a single file that included the documents, a copy of the

22   program, and some examples of how the program functioned. Red Hat understood from the

23   conversation that these files resided only on legacy servers at this time and that there were no

24   documents available except from these legacy servers. Red Hat understood based on this assertion

25   by Thought that it would take additional time and money to recover such files. Thought promised

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- 2 -

28   OPPOSITION TO MOTION TO QUASH THIRD PARTY SUBPOENA   CASE NO. C 07-80204 MISC MMC (EMC)
     OR FOR A PROTECTIVE ORDER

1   after the August 10 call that it would contact Red Hat to provide estimates as to how long it would

2   take and how much it would likely cost to recover the documents. [Pierce Decl., ¶7]

3   After business hours on Wednesday, August 15, Thought sent counsel for Red Hat a long and

4   detailed e-mail demanding an advance payment "of $35,000 [$21,000 (engineering) + $7,000 (legal)

5   + $7,000 (mgmt)]." [Motion to Quash, Ex. 1.] Before Red Hat had the opportunity to respond to

6   Thought's demands, Thought filed this Motion to Quash. Subsequently, Red Hat has repeatedly

7   sought in good faith to meet and confer with Thought and to resolve this dispute. However, Thought

8   has refused all such efforts, demanding $10,000 as a condition to any meet and confer following the

9   first two efforts and failing to respond altogether to the third. [Pierce Decl., ¶8 and Ex. D]

10   **ARGUMENT**

11   Rule 45 provides four possible bases for Thought's Motion to Quash. First, Rule 45(c)(3)

12   states that a court "shall quash or modify the subpoena if it . . . fails to allow reasonable time for

13   compliance." Second, a court "shall quash or modify the subpoena if it . . . requires disclosure of

14   privileged or other protected matter and no exception or waiver applies." Third, a court "shall quash

15   or modify the subpoena if it . . . subjects a person to undue burden." Finally, a "court may . . . quash

16   or modify the subpoena" if it "requires disclosure of a trade secret or other confidential research,

17   development, or commercial information," but "if the party in whose behalf the subpoena is issued

18   shows a substantial need for the testimony or material that cannot be otherwise met without undue

19   hardship and assures that the person to whom the subpoena is addressed will be reasonably

20   compensated, the court may order appearance or production only upon specified conditions."

21   **A.   Red Hat Has Allowed Sufficient Time to Comply With the Subpoena**.

22   Although the subpoena itself allowed sufficient time for Thought to respond, counsel for Red

23   Hat agreed both verbally during the initial conference on August 10 and confirmed in writing in later

24   correspondence that Thought could have additional time to produce documents beyond the 14 days

25   permitted under the subpoena. Red Hat has served dozens of third-party document subpoenas in this

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- 3 -

28   OPPOSITION TO MOTION TO QUASH THIRD PARTY SUBPOENA   CASE NO. C 07-80204 MISC MMC (EMC)
     OR FOR A PROTECTIVE ORDER

1   litigation. Red Hat has freely granted additional time to respond to any party requesting such time

2   including Thought, so this issue provides no basis to quash Red Hat's subpoena. [Pierce Decl., ¶9]

3   **B. The Subpoena Seeks Neither Privileged Information Nor Confidential**
    Information Without Providing Adequate Protection.

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5   Red Hat's subpoena seeks no privileged information from Thought. And regarding the

6   potential disclosure of trade secret or otherwise sensitive information (to the extent any exists among

7   software-related materials that are ten years old), Red Hat has explained to Thought how to preserve

8   any confidentiality of its documents under the Eastern District of Texas' Patent Rule 2-2, (identical to

9   this Court's own Patent Rule 2-2), which allows the designation of materials as outside counsel's

10 eyes only even in the absence of a protective order. [Pierce Decl., ¶10] Since the documents Red

11 Hat seeks are primarily 10+ year-old software and other related documents that were previously

12 publicly available via download from Thought's website, Patent Rule 2-2 is sufficient to protect the

13 confidentiality of such documents.

14 **C. There Is No Undue Burden to Thought.**

15 Thought states that the information Red Hat is seeking is irrelevant and that it would,

16 therefore, be an undue burden for it to have to produce such information. Thought's arguments for

17 why the information sought is irrelevant reflects a fundamental misunderstanding by Thought

18 regarding the concept of prior art. Although what an expert in the field might be able to discern from

19 Thought's publicly available patent could be useful in litigation, that expert opinion could not

20 constitute prior art. The publicly available CocoBase documents, however, would constitute prior

21 art. Those documents are in the possession of Thought, and, therefore, must be produced.

22 **D. Red Hat Is Willing to Provide Reasonable Compensation to Thought.**

23 Finally, Red Hat has agreed to reimburse Thought for the reasonable costs related to the

24 recovery and production of the responsive documents. [Pierce Decl., ¶11] The only question at this

25 point is what constitutes reasonable costs. Thought stated in its August 15 e-mail that Red Hat

26 should be required to pay $35,000 in advance just for Thought to conduct a search for the documents.

27 That amount included legal fees and management fees. Red Hat believes that this request is

- 4 -

28 OPPOSITION TO MOTION TO QUASH THIRD PARTY SUBPOENA   CASE NO. C 07-80204 MISC MMC (EMC)
    OR FOR A PROTECTIVE ORDER

1 unreasonable and has sought a meet and confer with Thought on several occasions to discuss what

2 would be reasonable compensation. Unfortunately, Thought is unwilling to meet with Red Hat

3 absent a $10,000 payment, which Thought justifies on the grounds of filing this motion. [*See* Pierce

4 Decl., Ex. D]

5   As has previously been expressed to Thought, Red Hat is willing either (1) to pay the actual

6 rates for the actual hours spent by Thought personnel to retrieve electronic files from Thought's

7 legacy computer systems, up to a maximum of $4,000.00 without advance consent from Red Hat, or

8 (2) to hire a third-party computer forensics expert to retrieve the data from Thought's systems. Red

9 Hat thus has made more than fair offers of compensation to minimize any expense or trouble to

10 Thought. Thought, however, has chosen to respond by voluntarily incurring legal fees to draft

11 lengthy correspondence and to file an unnecessary Motion to Quash. Thought's tactics should not be

12 condoned, and Thought should be required to comply with the subpoena that Red Hat served upon it

13 in exchange for a reasonable amount of compensation for Thought's efforts to retrieve the responsive

14 information. [Pierce Decl., ¶11]

15   **CONCLUSION**

16   For the foregoing reasons, Red Hat respectfully requests that Thought's Motion to Quash be

17 denied and that Thought be required to comply fully with Red Hat's subpoena.

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19 Dated: September 12, 2007   Respectfully submitted,

20   HARVEY SISKIND LLP

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22   By: _____/s/_____
23   Seth I. Appel

24   Attorneys for Defendants
                                          RED HAT, INC. and RED HAT MIDDLEWARE, LLC.
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                                              - 5 -
28 OPPOSITION TO MOTION TO QUASH THIRD PARTY SUBPOENA   CASE NO. C 07-80204 MISC MMC (EMC)
    OR FOR A PROTECTIVE ORDER